



Bonds

### What is a bond and when is it needed?

A bond is a type of security that could be either a performance or warranty. A performance bond is posted to ensure timely and proper completion of improvements, compliance with the Redmond Zoning Code, and/or with land use permit approval conditions A warranty bond is posted to warranty survival of landscaping, quality of materials or workmanship of improvements. A performance bond is required for any project (public works improvements, landscaping and irrigation, critical area mitigation, tree replacement or tree preservation) or portion thereof to ensure that City standards and conditions of the permit are met during the construction phase. The amount of the bond is generally based upon project valuation (150% of construction costs).

# How much is the bond amount & how long must the bond be held?

Performance bonds vary in time frame, based on the bond, and may not be released until the work is inspected by the City. If time extensions are approved, the bond amount shall be revised to reflect inflation and/or other cost impacts. Prior to release of a performance bond, a warranty bond (see below) must be received by the City.



Bonds are required for:

Tree Preservation

Tree Replacement

Landscaping & Irrigation

Wetland & Stream Mitigation

Improvements required

Assurance Type	Performance Assurance Amount	Performance Assurance Period	Warranty Assurance Amount (Maintenance)	Warranty Assurance Period
Improvements required as a condition of land use permit approval	Not less than 150 percent of the estimated cost of con- struction of installation, pro- vided, that the City Engineer or Administrator may set a higher amount based on complexity of the project	Subdivisions - 3 years after final plat approval. Other land use permit approvals - as required by condition.	As determined by City Engineer based on complexity of project, but a minimum of 10 percent of total construction costs.	1 year
Landscape	150 percent of cost of plant materials, irrigation, fertilizing & labor	1 year	10 percent of performance	1 year after installation
Tree Protection	150 percent of City's Tree Base Fee for each protected tree	5 years	N/A	N/A
Tree Replacement	150 percent of cost of plant materials, fertilizing, pruning & labor	1 year	150 percent of cost of plant materials, fertilizing, pruning & labor	3 years
Critical Area Mitigation	125 percent of cost of mitiga- tion project (installation, maintenance and monitoring)	5 years	N/A	N/A

#### Warranty Assurance or Maintenance Bond:

A maintenance bond in an amount determined by the Director (10% of the amount of the actual

construction costs), is required after project inspection and City acceptance for release of the performance bond is pending.

Maintenance bonds are in effect for a period of one years, or in the case of

tree replacement three years, and may not be released until the project is inspected by the City and City authorization for release of the bond is received by the Planning Department or bonding company.

#### Standard Bond Forms:

Standard bond forms are available from the Department of Community Development. No other bond form will be accepted unless approved by the City Attorney's office. Changes or substitutions to the bond forms will require the advance review and approval from the City Attorney's office. allow at least two weeks for review. The following are the approved methods of bonding:

**Bond from a Surety Company**: Actual bond obtained by a bonding/

insurance company. Developers and contractors are also rated by surety companies.

**Cash Deposit**: Cash held in trust by the City is also an option for bond amounts over \$1,000.00, at the applicant's discretion.

Irrevocable Assignment of Loan

Proceeds: An escrow account that is specifically set-up for this purpose, and at no time shall any portion of the sums be released without written

authorization from the City.

Assignment of Funds: An established account that a financial institution certifies that at no time any portion of the funds be released without written authorization from the City.

*Irrevocable Letter of Credit*: The financial Institution listed on the Letter of Credit guarantees the funds.

Bond forms and calculation worksheets which assist customers with calculating the required bond amounts are available on the City's website at:

http://www.redmond.gov/cms/One.aspx?portalId=169&pageId=2947

## **Additional questions or assistance filing out paperwork**

If you need additional assistance, please do not hesitate to contact the Planner On Call at 425-556-2494 or via email at planneroncall@redmond.gov. You can also visit us in person in the Development Services Center on the 2nd floor of City Hall between 8:00 am. to 5:00 p.m. Monday through Friday.

The RZC can be accessed online at: <a href="https://www.redmond.gov/ZoningCode">www.redmond.gov/ZoningCode</a>
<a href="https://www.redmond.gov/ZoningCode">NOTE: This handout is for informational use only and is not be substituted for the Redmond Zoning Code</a>

**Applicable Code Sections** 

RZC 21.76.090(F): Performance Assurance

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Development Services Center 15670 NE 85th St PO BOX 97010 Redmond, WA 98073